100001-EI

# Exhibit B

# REDACTED

COM ____
APA ____
ECR 1
GCL ____
RAD ____
SSC ____
ADM ____
OPC ____
CLK ____

# Attachment A

Response to Staff's First Set of Interrogatories (No. 1)

(List of coal bids received for 2009)

**Entire Document is Redacted**

Bates Nos. PEF-10FL-00001 through PEF-10FL-00003

REDACTED

2. For each RFP for coal issued in 2009 by PEF, what action was taken? Include in your response an explanation of the evaluation process and how successful proposals were selected. If no evaluation sheets or equivalent documents were prepared (see Request for Production of Documents 2), please explain why not.

**Answer:** PEF did not issue a RFP for coal in 2009. However, PEF did issue a RFP in November 2008 that requested bids for coal in 2009 and beyond that was evaluated in early 2009. PEF followed its coal procurement policies and practices for the November 2008 RFP. PEF first determined what coal requirements existed for the next year burns and inventory levels for the Crystal River coal plants and then subtracted from those requirements the tons currently under contract. That provided PEF with the tons needed at each set of coal units, CR 1, CR 2, CR 4 and CR 5, respectively, and to meet the Company's hedging guidelines for 2009 and beyond. Basically, PEF's guidelines at the time sought to have under contract (through a formal RFP or spot purchases), >=[redacted]% of the coals needs for the current year, >=[redacted]% of the coals needs for the next year, >=[redacted]% of the coal needs for the second year out, >=[redacted]% of the coal needs for the third year out and >=[redacted]% of the coal needs for the fourth year out be procured. After PEF determined the open positions for purchase, PEF issued the November 2008 RFP for coal for various terms. The RFP was sent to all prospective bidders on PEF's supplier bidders' list. PEF's request was that those bidders offering coal were invited to submit multiple offers for the proposal. PEF encouraged bidders to make all offers regardless of quality, origin or whether it is outside of a typical specification. PEF also encouraged offers for truck coals, potential partnering, and/or strategic opportunities. This list is comprised of suppliers that possessed the necessary financial, technical and business resources to supply coal consistent with the Company's quality and quantity requirements, transportation companies, service providers in the industry and trade publications. The response deadline was 5:00 pm EST December 3, 2008. PEF received 37 bids with 66 unique offers and 11 no bids. At that time, the bid proposals were reviewed for completeness, accuracy of the data supplied and conformity to the RFP request. The RFP sought both domestic and import coal proposals for delivery by water barge or rail to Crystal River. Bidders were required to provide available analyses on the coal offered in the bids with both "typical" and "guaranteed" values. As the names imply, "typical" values were the quality of the coal expected on each shipment, and "guaranteed" values were the minimum quality specifications for the coal shipments below which PEF could reject the shipment. We expressly told potential bidders in the RFPs that their proposals would be evaluated not only on a delivered cost basis but also on a performance cost basis including, but not limited to, coal and ash handling impacts, generating station operating costs and environmental compliance. The evaluations took into consideration the following factors:

(1) conformity to the technical and commercial aspects of the specifications (e.g. coal specifications, delivery schedules, warranties, etc.);
(2) coal quality and quantity assurances (or guarantees) by the bidder;
(3) unit prices and conditions of pricing;

REDACTED

7. In 2009, did PEF participate in any capacity discussions or bid for any firm pipeline capacity during "open season?" Please explain your response.

**Answer:** PEF participated in two open seasons in early 2009 as part of PEF's continuing efforts to evaluate opportunities for PEF to have access to competitively priced, secure and growing onshore unconventional natural gas to support its long-term natural gas needs. The two open seasons that PEF participated in were with the Southeast Supply Header (SESH) and Transcontinental Gas Pipe Line's ("Transco").

On January 16, 2009, PEF submitted a non-binding bid in response to a non-binding open season for the potential expansion of the Southeast Supply Header (SESH) for an estimated volume of approximately [redacted] MMBtu's of capacity year round with upstream firm capacity expansions on SESH from points such as Perryville, LA delivering to Florida Gas Transmission (FGT) and Gulfstream Natural Gas System. SESH indicated a targeted in service date of mid 2011. Additionally, on February 25, 2009, PEF submitted a non-binding bid in response to Transcontinental Gas Pipe Line's ("Transco") non-binding open season for an estimated volume range of approximately [redacted] MMbtu's to [redacted] MMbtu's year round for its Mobile Bay South Phase II Expansion. Transco stated the expansion could be up to 550,000 MMBtu's with a targeted in service as early as May 1, 2011 and offered firm transportation service on its 4A lateral south to the points of interconnection with Gulfstream in Coden, Mobile County, AL and Florida Gas Transmission. This project will access additional gas from the Midcontinent Express Pipeline and the Gulf South Pipeline Southeast Expansion projects which will provide access to unconventional shale gas and tight sands production from areas such as North Texas, East Texas, Oklahoma, and Northern Louisiana.

In summary, long-term firm transportation service for 50,000 MMBtu/day on the Transco Mobile Bay South Phase II was recommended as the most cost effective upstream firm transportation solution for PEF to access competitively priced, secure and growing onshore unconventional natural gas to support PEF's long-term natural gas needs. The Transco alternative was considered the best overall selection for PEF for the following reasons: 1) the Transco expansion was the lower overall estimated cost solution; 2) the Transco project was considered to have the highest certainty of occurring; and 3) the Transco upstream transportation will provide PEF with additional access to competitively priced, secure and growing natural gas supply from unconventional plays needed to support PEF's natural gas needs that can be delivered on Transco's Mobile Bay Lateral south to PEF's downstream transportation agreements on Florida Gas Transmission and Gulfstream to its generation facilities.

# REDACTED

PEF-10FL-00011 through PEF-10FL-00013

STAFF'S 1st POD #2

# REDACTED

PEF-10FL-00014 through PEF-10FL-00167
STAFF'S 1st POD #3

# REDACTED

PEF-10FL-00168 through PEF-10FL-00388
STAFF'S 1st POD #4

# REDACTED

PEF-10FL-00400 through PEF-10FL-00402
STAFF'S 1st POD #13